

# Other Budget Bill Information

- Establishes a Charter and Innovation Network School Advance program as part of the common school loan fund.
- Continues to allow common school loans for school corporations and school corporation career and technical education schools.



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# Indiana Department of Education

**Glenda Ritz, NBCT**

Indiana Superintendent of Public Instruction

## **IDOE Office of School Finance Updates**

**June 23, 2015**

# Agenda

- FY2016 School Funding Formula
- Other legislation
- Other updates
- Contacts



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# FY2016 School Funding Formula



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# State Tuition Support

	Appropriation
<b>FY2014</b>	<b>\$6,622,800,000</b>
<b>FY2015</b>	<b>\$6,691,600,000</b>
<b>FY2016</b>	<b>\$6,820,300,000</b>
<b>FY2017</b>	<b>\$6,980,500,000</b>



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# State Tuition Support

- FY2016 formula covers July 2015 - June 2016
- One payment at least every 40 days
- Payment schedule reflected on the distribution sheet
- Legislation allows up to a \$25m transfer from the state tuition reserve account if basic tuition support has been reduced because the amount of choice distributions exceeded the estimated amount of choice distributions.
  - The transfer is the lesser of \$25m or the amount of the basic tuition support reduction.



# FY2015 vs. FY2016 State Tuition Support Grants

FY2015	FY2016
Basic Tuition Support	Basic Tuition Support
Honors	Honors
Special Education	Special Education
Career and Tech Educ.	Career and Tech Educ.
Complexity	Complexity
Full-day kindergarten	Not applicable



# Basic Tuition Support

- The foundation amount was \$4,587 for FY2015, and will be \$4,967 for FY2016 and \$5,088 for FY2017.
- FY 2016 previous year revenue reflects FY2015 actual basic tuition support
- Transition to foundation calculation
  - Divided by 4 in FY2015
  - Divides by 3 in FY2016



# Basic Tuition Support

- Funds first year charter schools at foundation rather than using the tuition support per ADM from the school corporation of legal settlement.
- Eliminated the provision that used the greater of the February ADM count or 90% of the September ADM count when calculating basic tuition support.
  - The February count is the actual count used in the formula.



# Basic Tuition Support

- Membership
  - May 2015 Estimated Average Daily membership (ADM)
    - ADM estimate collected from May 6 to May 22
    - Will use for July through October payments
    - If a count was not provided, we continued to use the February 2015 count



# Basic Tuition Support

- **Membership Count Dates:**
  - **September 18, 2015 ADM**
    - Used for July to December Basic and Complexity Grants
  - **February 1, 2016 ADM**
    - Used for January to June Basic and Complexity Grants



# Membership

- **Current ADM-** spring membership count for January to June or the fall membership count for July to December
- **Attending-** physical or virtual presence with the expectation of continued services in the education programs for which the student is registered.
- **Enrolled-** registered with a school corporation to attend educational programs offered by or through the school corporation and attending these educational programs or receiving educational services.



# Membership

The signed membership summary report will be submitted via a download/upload process that will be outlined in the DOE-ME layout.



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# Basic Tuition Support

- **Virtual Charter Schools**

- Funded at 90% of the school foundation amount for FY2015, FY2016, and FY2017.

- $\$4,967 (.90) = \$4,470.30$

- As in FY2015 and moving forward for both FY2016 and FY2017, virtual charter schools continue to be eligible for all state tuition support grants.



# Basic Tuition Support

- Until the fall 2015 membership counts are known, the Department will use the May estimated ADM counts for July through October payments.
- **November:** The Department will use the fall 2015 ADM counts to determine FY2016 basic tuition support and reconcile the July to December and January to June payments.



# Basic Tuition Support

- Until the spring 2016 membership counts are known, the Department will use the fall 2015 ADM count for January to March payments.
- **April:** The Department will use the spring 2016 ADM counts to determine basic tuition support and reconcile the January to June payments.



# Honors Diploma

The funding for Academic Honors and Core 40 with Technical Honors diploma students will continue to be \$1,000 per qualifying student in both FY2016 and FY2017.



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# Honors Diploma

Public school corporations and charter schools with eligible pupils, who successfully completed an Academic Honors or Core 40 with Technical Honors diploma and who were receiving SNAP benefits, TANF benefits, or foster care services, will receive a total of **\$1,400** per student.



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# Honors Diploma

- Until final 2014-2015 honor counts are known, the Department will continue to use the 2013-2014 honor counts for July through November payments.
- **December:** The Department will use the 2014-2015 honor counts to determine the FY2016 honors grant for the first half and last half of the fiscal year and reconcile remaining payments.



# Special Education

- **Funding for FY2015 was:**
  - \$8,350 \* severe disabilities count
  - \$2,265 \* mild/moderate disabilities count
  - \$ 533 \* communication/homebound count
  - \$2,750 \* special education preschool count
- **Funding for FY2016 and FY2017 will be:**
  - \$8,800 \* severe disabilities count
  - \$2,300 \* mild/moderate disabilities count
  - \$ 500 \* communication/homebound count
  - \$2,750 \* special education preschool count



# Special Education

- Until final special education counts are known, the Department will continue to use the 12/01/14 special education counts for the July 2015 through January 2016 payments.
- **February:** The Department will use the 12/01/15 special education counts to determine the FY2016 special education grant amount and reconcile remaining payments.



# Special Education

- If there was an underpayment of funds from July 2015 through Jan. 2016, the Department will adjust up the February payment.
- If there was an overpayment of funds from July 2015 through Jan. 2016, the Department will adjust down the February through May payments.
- The June payment will be normal.



# Career and Tech. Educ. (CTE) Grant

- Submission: Sept. 18 – Oct. 1
- No new CTE submissions after Oct. 1
- Schools or districts wanting to add new programs must do so by July 1



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# Career and Tech. Educ. (CTE) Grant

- For FY2016, the Department will continue to use the fall 2014 CTE counts for the July – November payments.
- **December:** The Department will use the 2014-2015 CTE counts to determine the FY2016 CTE grant for the first half and last half of the fiscal year and reconcile remaining payments.



# Career and Tech. Educ. Grant

- **Grant funding has changed**
  - High demand/high wage courses will increase from \$450 to \$500 per credit hour;
  - High demand/moderate wage courses will increase from \$375 to \$450 per credit hour;
  - Moderate demand/high wage will increase from \$375 to \$450 per credit hour;



# Career and Tech. Educ. Grant

- **Grant funding has changed**
  - Area participation count remains at \$150
  - Student count for all other career and technical education programs is gone



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# Career and Tech. Educ. Grant

- **Courses previously designated as “other” will be designated as foundational or introductory.**
  - Funded on a per pupil enrolled basis rather than credit hour
    - Foundational funded at \$150 per pupil enrolled
    - Introductory funded at \$300 per pupil enrolled



# Career and Tech. Educ. Grant

- **Work based learning courses include apprenticeship, cooperative education and work based learning.**
  - Funded on a per pupil basis
  - Generally full-year, 6 credit courses.
  - Funded at \$300 per pupil



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# Complexity Grant

- For FY2015, the grant used the percentage of students that received financial assistance under I.C. 20-33-5 in FY2014.
- For FY2016, the grant will use the percentage of students that were receiving SNAP benefits, TANF benefits, or Foster Care assistance in FY2015.



# Complexity Grant

- For FY2014, the Department used a complexity factor of .33 in the grant calculation.
- For FY2015, the Department will use a complexity factor of .35 in the grant calculation.
- For FY2016
  - The second tier adjustment is replaced with an English Language Learners adjustment in the calculation.



# Complexity Grant

- **English Language Learners Data**
  - The Department will use FY2015 data and ADM in the calculation of the ELL Complexity Adjustment
- **SNAP, TANF, or Foster Care Assistance data and pupil enrollment used to calculate complexity**
  - The Department will use FY2015 SNAP, TANF, Foster Care and Pupil Enrollment data in the calculation.
- The Complexity funding per ADM amount used in the calculation changes from the foundation grant in FY2015 to \$3,489 in FY2016 and \$3,539 in FY2017.



# Full-day Kindergarten (FDK) Grant

- For FY2015, school corporations received a FDK grant allocation as part of the monthly state tuition support distribution.
  - FY2015 funding was \$2,472 per student
  - FY2014 funding was \$2,448 per student



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# FDK Grant

- For FY2016, the FDK is repealed.
- For the basic tuition and complexity calculations, each kindergarten pupil shall be counted as:
  - One pupil, if the pupil is enrolled in a full-day kindergarten program; or
  - One-half pupil, if the pupil is enrolled in a half-day kindergarten program.



# FDK Grant

- Using Field 9 of the Membership layout (DOE-ME), you must code the student as enrolled (Y) or not enrolled (N) in a FDK program.
- Double check your number by looking at the DOE-ME Summary Report by Grade Level to ensure the FDK matches the K count you expected to see.



# FDK Grant- Recap

- **Kindergarten students**

- If you offer a full-day kindergarten program, K students will be coded as “Y” in Field 9 of the membership layout. (Count as 1 in the basic and complexity grants)
- If you offer both a half-day and full-day kindergarten program, you must properly code each student in Field 9.
- If you do not offer a FDK program, K students are coded as “N” in Field 9 of the membership layout. (Count as ½ in the basic and complexity grants)



# Capital Projects Fund (CPF)

- I.C. 20-40-8-19 allows cpf money to be used, before July 1, 2017, to pay up to 100% of the following costs of a school corporation:
  - Utility services;
  - Property or casualty insurance;
  - Both utility services and property or casualty insurance
- Limited to 3.5% of the school corporations CY2005 distribution



# Summary of Counts

- **Two counts (Sept. 18 and Feb. 1)**
  - Basic Tuition Support
  - Complexity
- **One count (Collection specific)**
  - Honors
  - Special Education
  - Career and Tech. Education



# Other Legislation



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# Other Budget Bill Information

- **Adult Learners:**
  - Funding for FY2015- \$6,600
  - Funding for FY2016- \$6,600
  - Caps the number of FTE students for FY2016 and FY2017
- **Choice Scholarships**
  - Removes the \$4,800 cap for Grades 1-8
- **Textbook reimbursement appropriation**
  - Remains at \$39,000,000 for FY2016 and FY2017



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# Legislation- SEA 500

- **Textbook-** Changes the maximum percentage that schools may charge for rental from 15% to 25% of the retail price of the curricular material if used more than six years.



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# Legislation- SEA 500

- **Textbook-repeals the following:**
  - requirement to provide the department with a state master list of curricular materials stored
  - disposal of obsolete curricular material
  - requirements related to school libraries that contain free curricular materials
  - requirements related to the fumigation or destruction of library curricular materials



# Legislation-SEA 500

- **Textbook –**
  - Changes the maximum length of a curricular material loan from six years to three years.
  - Repeals the requirement for a school corporation to provide an estimate of the percentage of students who are enrolled in the school corporation and eligible for assistance under textbooks for purposes of the complexity calculation.



# Legislation- SEA 500

- Repeals the requirement to prepare and submit the Consolidated Purchasing Survey Report not later than November 1 of each year.
- Establishes a Committee on School Data Reporting



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# Legislation- HEA 1009

- Allows for Innovation Network School Programs in school corporations.
- Can be established by
  - Two or more teachers and a
    - Principal;
    - Superintendent; or
    - Any combination of individuals
- Requires approval by the school governing body



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# Legislation- HEA 1438

- **Adult High Schools**

- Provides for distribution of funds for an adult high school to the adult high school's organizer.
  - Requires the organizer file a notice with the Department before July 1.
  - The organizer may then distribute the tuition support distribution it received to each charter school it operates in the amounts determined by the organizer.



# Other Information



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# Collective Bargaining

- **IC 20-29-6-12.5**
  - Estimate of general fund revenue available for bargaining in the school funding formula before August 1
  - Certification of estimated general fund revenue available for bargaining from the school funding formula within 30 days of the fall count of ADM. (Mid-October)



# Unreimbursed Textbook Levy

- School corporations may establish a debt service fund levy for reimbursement of unpaid textbook expense.
- In May, OSF mailed school officials an estimated levy amount.
- School officials must advertise and adopt the unreimbursed levy as part of the 2016 budget process.



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# Form 9

- Information for the period of January 1 through June 30, 2015, is due on or before **July 31, 2015**.
  - We will release an updated chart of accounts by the end of the month.
  - General Fund Expenditures Report will be posted in Learning Connection.



# Indirect Cost Rates

- Accepting applications for FY2016 indirect cost rates
- Applications can be sent:
  - via email to [ICR@doe.in.gov](mailto:ICR@doe.in.gov)
  - by fax to 317-232-0504
  - by mail:

IDOE, Office of School Finance  
115 W. Washington Street  
South Tower, Suite 600  
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# Coming up

- School Technology Advancement Applications
- Common School Construction and Technology loans



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